

CHAPTER 451

IOWA ESTATE TAX

[SP] Chapter implementation contingent upon federal legislation, see §451.13

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451.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “*Adjusted taxable estate*” means the taxable estate computed for federal estate tax purposes reduced by sixty thousand dollars.
2. “*Federal estate tax*” means the tax imposed by the provisions of the Federal Estate Tax Act.
3. “*Federal Estate Tax Act*” and all such similar terms, means Title III of chapter 27 of the Acts of the Sixty-ninth Congress of the United States, first session, appearing in 44 Statutes at Large, chapter 27, as of January 1, 2000, as amended.
4. “*Gross estate*” means the gross estate as determined under section 451.3.
5. “*Internal Revenue Code*” means the Internal Revenue Code as of the implementation date of this chapter, as specified in section 451.13.
6. “*Iowa estate tax*” means the tax imposed by this chapter.
7. “*Month*” means a calendar month.
8. “*Net estate*” means the net estate as determined under the provisions of section 451.3.
9. “*Personal representative*” means the executor of the will or administrator of the estate of the decedent, or if there is no such executor or administrator appointed, qualified and acting, then any person in actual or constructive possession of any property included in the gross estate of the decedent.

2010 Acts, ch 1138, §31

451.2 Additional tax.

1. An amount equal to the federal estate tax credit for state inheritance and estate taxes as allowed in the Internal Revenue Code is imposed upon every transfer of the net estate of every decedent being a resident of, or owning property in, this state.
2. If the decedent is a resident of Iowa and all property is located in Iowa, or is subject to the jurisdiction of the courts of Iowa, an amount equal to the tax imposed under subsection 1 shall be paid to the state of Iowa. If the decedent is a nonresident or if property is located outside the state of Iowa and not subject to jurisdiction of Iowa courts, the tax shall be prorated on the basis that the Iowa property bears to the total gross estate for federal tax purposes.
3. The total tax or the Iowa share of the total tax shall be credited with the amount of any inheritance tax due the state of Iowa as provided in chapter 450.

2010 Acts, ch 1138, §32

451.3 Gross and net estate.

The gross estate shall be the same as finally determined for federal estate tax and the net estate shall be the gross estate less deductions as permitted by federal law, in arriving at the net taxable federal estate, all determined as provided in the Internal Revenue Code.

2010 Acts, ch 1138, §33

451.4 Tax on net estate.

The tax imposed by this chapter shall be upon the transfer of the total net estate of every decedent dying after the implementation date of this chapter as provided in section 451.13.

2010 Acts, ch 1138, §34

451.5 Duty of personal representative.

The personal representative of a decedent whose estate may be subject to the tax imposed by this chapter, shall file in the office of the director of revenue, on or before the last day of the ninth month after the death of the decedent, duplicate copies of the estate tax return provided for in the Federal Estate Tax Act, and in like manner, duplicate copies of all supplemental or amended returns. The values of all items included in the gross estate, as shown by those returns, or supplemental or amended returns, shall be considered as the values of those items for the purposes of this chapter. In case of revaluation or correction of valuation of any of those items, either by supplemental or amended returns, or by the federal commissioner of internal revenue, or by an appellate tribunal by which the value is finally determined, the corrected values shall be considered as the values of those items for the purposes of this chapter.

2010 Acts, ch 1138, §35

451.6 Payment of tax.

The tax imposed by this chapter shall be paid by the personal representative to the department of revenue on or before the last day of the ninth month after the death of the decedent.

2010 Acts, ch 1138, §36

451.7 Disposal of tax.

The proceeds of this tax shall be paid into the general fund of the state.

2010 Acts, ch 1138, §37

451.8 Claim for credit or refund.

If the personal representative of a resident decedent shall have paid to the treasurer of the United States or to a collector of internal revenue an estate tax under the provisions of the Federal Estate Tax Act in respect of property included in the gross estate, determined as herein provided, and shall have claimed as credits or deductions against the federal estate tax a sum less than the maximum credits or deductions allowed by the provisions of the Federal Estate Tax Act for any estate, inheritance, legacy or succession taxes actually paid to any state or territory of the United States, or to the District of Columbia, it shall be the personal representative's duty, with due diligence, to file in the bureau of internal revenue a claim for credit or refund for such amount, if any, as such estate shall be properly entitled to receive under the provisions of the Federal Estate Tax Act and of this chapter.

2010 Acts, ch 1138, §38

451.9 Appeal.

If any claim for refund or credit, or any part thereof, shall be denied or disallowed by the commissioner of internal revenue, the personal representative, the director of revenue, or any person having an interest in said estate which may be adversely affected by such denial or disallowance, may apply to the judge of the court having jurisdiction of such estate, for an order directing such personal representative to take, perfect, and prosecute an appeal from the decision of the commissioner of internal revenue to such court or tribunal as may have jurisdiction of such matter, and, upon the granting of such order, the director of revenue may assist in the prosecution of such appeal. The judge of the court granting such order may make a reasonable allowance for attorney fees for the prosecution of such appeal, and direct the manner in which the same, together with any other costs or expenses which may be allowed by said court in connection therewith, shall be paid.

2010 Acts, ch 1138, §39

451.10 Effect of allowance.

If any claim for credit or refund, or any part thereof, shall be finally determined in favor of such personal representative, any amount refunded or credited thereon shall inure to the benefit of such estate.

2010 Acts, ch 1138, §40

451.11 Effect of disallowance.

If any claim for credit or refund or any part thereof, shall be finally determined adversely to such personal representative, for any reason other than lack of diligence or other failure of duty on the personal representative's part, the amount so denied or disallowed, or so much thereof as shall have been paid to the department of revenue under the provisions of this chapter, shall, upon a claim duly filed with, and proper showing made to, the director of revenue, be refunded by the department of revenue to such personal representative, and shall inure to the benefit of such estate.

2010 Acts, ch 1138, §41

451.12 Applicable statutes — penalties.

All the provisions of chapter 450 with respect to the lien provisions of section 450.7, and the determination, imposition, payment, and collection of the tax imposed under that chapter, including penalty and interest upon delinquent taxes and the confidentiality of the tax return, are applicable to this chapter, except as they are in conflict with this chapter. The exceptions to the lien provisions found in section 450.7 do not apply to this chapter. The penalty provisions set out in section 450.53 shall apply to a person in possession of assets to be reported for purposes of taxation who willfully makes a false or fraudulent return or willfully fails to pay the tax, supply the information, make, sign, or file the required return within the time required by law or a person who willfully attempts in any manner to evade taxes imposed by this chapter or avoid payment of the tax. The director of revenue shall adopt rules necessary for the enforcement of this chapter.

2010 Acts, ch 1138, §42

451.13 Contingent implementation — applicability.

1. This chapter shall be implemented as of the date on which a provision of the Internal Revenue Code providing for a credit against federal estate taxes owed for the amount of state inheritance and estate taxes paid, pursuant to chapter 450 and this chapter, is applicable.

2. This chapter applies to the estates of persons dying on or after the implementation date specified in subsection 1.

2010 Acts, ch 1138, §43